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**Local Sales Tax Rate Change – Hamilton County****Sales & use  
tax notice  
#04-10**

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The Tennessee Department of Revenue has been notified that the governing body of Hamilton County has increased the local sales tax rate to 2.25% by means of a resolution, which was approved by a majority of the voters. The new rate will become effective on July 1, 2004, and will bring the local tax rate to 2.25% in all areas of Hamilton County.

The local option tax rate is applicable to the first \$1,600 of the sale price of any single article of tangible personal property sold, unless that item is specifically exempted from local tax or taxed at another rate by

statute. The local rate is also applicable to the total sales price of any taxable service. In addition, there is a state single article tax rate of 2.75% applicable to the sales price, from \$1,600.01 up to and including \$3,200, of any item of tangible personal property.

If you have any questions concerning this change, please contact the Tennessee Department of Revenue, Taxpayer Services Division, at (615) 253-0600 or, within Tennessee only, (800) 342-1003.

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